

California Energy Commission



Project Update on Biomass-to-Ethanol Fuel Report Activities

U.S. Department of Energy
Ethanol Workshop - Sacramento, California
October 5, 1999

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California Energy Commission



What has happened since our June 29th Meeting?

- Issued Draft Report on *Evaluation of Biomass-to-Ethanol Fuel Potential in California* -8/13/99
- Held Public Workshop on 9/10/99
- Received Additional Written Comments on Draft Report



Opportunities

- California forestlands have substantial biomass resources (21.5 million bdt)
- Increased controlled burning on public lands and damage from wildfires has generated a need to reduce forest slash and thinnings
- Biomass is a renewable energy source if managed properly



Opportunities

- Biomass may offer fewer negative environmental impacts than non-renewable energy resources
- Improve air quality (from reduced burning)



Opportunities

- Create jobs, new tax base and economic development
- Collocating ethanol plants with existing biomass power plants may improve the economics of the existing biomass industry
- Potential for reductions of greenhouse gas emissions



Challenges

- Uncertainty of future collocation options with the diminishing biomass power industry
- Lack of commercial scale experience with biomass-to-ethanol process technologies
- Relatively high production costs and capital requirements
- Ability to obtain consistent, low cost feedstock



Challenges

- Without an ethanol market, it is difficult and may be impossible to finance new biomass-to-ethanol projects (uncertainty with pending air quality and fuel specification regulations)
- Uncertainty with local permitting and siting requirements
- Infrastructure, distribution and storage requirements



Challenges

- Ethanol is currently dependent on government support such as federal tax incentives. How much additional (state and federal) government support is appropriate and for how long?

Public Workshop & Report Comments



- Over 40 people attended.
- 18 presentations delivered, including one by staff and one by expert witness
- Workshop Transcripts available on California Energy Commission's Web Site

What Was Said About Report?



- A biomass policy is needed.
- There is a need for various forms of public funding to help the ethanol industry gain a foothold.
- Biomass-to-Ethanol for California's largest forest products company does not make business sense.
- Executive Summary does not capture all the key findings in the report

What Was Said at Workshop Cont'd



- Public benefits (in dollars) ought to be better quantified
- Potential of ethanol from municipal solid waste and economics of collocating with municipal refuse facilities is not adequately addressed.
- Global climate change and the potential role that ethanol may play in yet-to-be defined state Global Climate Change policy and strategy was raised.

Where Do We Go From Here?



- Currently Making Revisions to August Draft Report
- Release Revised Draft Report on October 22
- Hold Public Hearing on November 19, 1999 (Tentative)
- Approve Final Report on December 15, 1999



And Finally,

- Deliver Final Report to Governor on New Year's Eve!





For More Information...

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